IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

APPEAL NO.205 OF 2006
IN
MISC.PETITION NO.61 OF 2000

Vinod Kumar M. Gadia & Anr. ....Appellants
V/s.
SICOM Limited ....Respondent

Mr.Abhay Patki i/b M/s.Joseph & Associates for the Appellants.

Mr.K. Setalwad i/b Mr.M.P. Rege & Co. for the Respondent.

CORAM : DR.S. RADHAKRISHNAN & S.J. VAZIFDAR, JJ.
DATED : 18TH APRIL, 2006.

P.C. :

1. Heard the learned counsel for the Appellants and the Respondent.

2. By this Appeal the Appellants are seeking to challenge the order dated 25.4.2005 passed by the learned single Judge in the Petition under Section 31 (aa) of the State Financial Corporation Act. The main grievance of the Appellants is that in view of Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985, the above proceedings could not have been proceeded with against the Appellants who were only guarantors.

3. We have perused a Division Bench judgment of our High Court in *Dewal Singhal v. State of Maharashtra, Vol.106, Company Cases, 587 (2001)* wherein the Division Bench of our Court has in unequivocal terms held that the only proceeding against the guarantor of a loan granted to an industrial company which has been declared under the Sick Industrial Companies (Special Provisions) Act, 1985 which is barred under Section 22 of the Act, is a "suit" and nothing else. The above proceeding before the learned single Judge was not a suit at all. In view of the aforesaid judgment, we cannot find any error in the judgment of the learned single Judge. The Appeal is devoid of any merit hence the same is dismissed.

(DR.S. RADHAKRISHNAN, J.)

(S.J. VAZIFDAR, J.)